

Common The French "offers" are believed to have been a
Approved For Release 2000/06/13 : CIA-RDP78-01634R000100140031-2
Austrian Foreign Ministry that bilateral association with the EEC
would be considered a violation of Austria's neutrality. This
warning has since been repeated by Pravda, Izvestia, and TASS.

It is not clear whether the French have been suggesting a
permanent bilateral agreement between Austria and the Common
Market, or temporary arrangements to mitigate the impact on
Austria of the EEC's first tariff and quota adjustments. If
the former is intended, the French may well be motivated by a
desire to break the common front of those countries which are
seeking a multilateral association with the EEC through the
Free Trade Area. (NOFORN)

reaction

18. Coal-Steel Community challenged by new West German import restrictions: An important test of strength between the High Authority of the Coal-Steel Community (CSC) and the West German Government may be shaping up as a result of Bonn's 23 January announcement of new duties on imports of foreign coal, coupled with a duty-free import quota of 4,250,000 tons for 1959. The High Authority is not opposed to the new duties as such, but it has not yet agreed to the duty-free figure announced in Bonn and believes that action can be taken only in accordance with the CSC treaty.

Ambassador Butterworth, chief of the US Mission to the European Communities, considers the challenge to the High Authority particularly serious because of its implications for the future independence of the EURATOM and Common Market Commissions, which are not backed by treaties as strong as the CSC's. He is also "disturbed" that Chancellor Adenauer "emerges in the usual role of flouting European institutions he has done so much to create."

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